



ALTERNATIVE FINANCE

K. MUSHTHAQ AHAMMED

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Editor

Dr. K. MUSHTHAQ AHAMMED

Assistant Professor of Commerce,
School of Distance Education,
University of Kerala, Thiruvananthapuram

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Pradhan Mantry Mudra Yojana- An Analysis on Performance

SHIJINA A S
Assistant Professor
Mannaniya College of Arts and Science
Pangode

ABSTRACT: Micro Units Development & Refinance Agency Limited (MUDRA) and Pradhan Mantri MUDRA Yojana (PMMY) were announced by the Finance Minister while presenting the Union Budget for FY 2016. It is a new institution for development and refinancing activities relating to micro units. Loans worth about Rs 1 lakh crore have been sanctioned to small entrepreneurs under the Pradhan Mantri MUDRA Yojana. It was also advised that the loan may be given in three categories, i.e. Loan upto ` 50,000 under Shishu; ` 50,000 to ` 5 lakh under Kishor; and ` 5 lakh to ` 10 lakh under Tarun. Also, it was envisaged that more focus will have to be given for the Shishu category. A target of 1,22,188 crore was set for F.Y. 2015- 16. The main aim of the present study is to analyse the performance of PMMY during 2015-16. The overall performance of the Yojana indicates that the target has been achieved during the year. The regional coverage of the programme indicates that all the four regions had wide coverage, although there had been an edge for the Southern region.

KEYWORDS: Micro units, Refinance, Yojana, MUDRA

INTRODUCTION

India has emerged as one of the fastest growing economies in the world. In many fields, India has played a major role and it is estimated that the growth rate of our country will grow by year to year. Out of many fields, the MSMEs are one of the core sectors as it is the mainstay in providing employment opportunities. It consists of micro units engaged in manufacturing, processing, trading and services making up its broad base. Rural areas account for half of all MSMEs in the country. At least 80 per cent MSMEs are micro enterprises. As one of the largest disaggregated business ecosystems in the world, these micro enterprises engage nearly 10 crore people in the country, offering livelihood to five times that number. Micro enterprises comprise of low scale activities such as clay pot making, basket weaving, fruits and vegetable vendors, transport (three wheeler tempos and autos), food-service units, repair shops, machine operators, welders, cottage industries, small industries, handlooms, handicraft workers, food processors, retailers, beauticians and street vendors, etc. These are collectively referred to as the non-corporate small business sector (NCSBS). Out of the 5.77 crores of small units, most of them are individual enterprises and majority of these are managed by weaker sections of the society such as SCs, STs and OBCs. Their main sources of finance are local moneylenders, friends, relatives, etc. They have faced enormous challenges with accessing credit. To solve these problems, the Government of India initiated a project called the Micro Units Development and Refinance Agency Limited (MUDRA) and also launched Pradhan Mantry Mudra Yojana (PMMY).

Micro Units Development & Refinance Agency Limited (MUDRA) and Pradhan Mantri Mudra Yojana (PMMY) were launched on 08 April 2015 by the Honorable Prime Minister, Shri Narendra Modi. It is a new institution for development and refinancing activities